

VZCZCXRO2965
PP RUEHCHI RUEHDT RUEHHM RUEHNH
DE RUEHBK #0430/01 0391126
ZNY CCCCC ZZH
P 081126Z FEB 08
FM AMEMBASSY BANGKOK
TO RUEATRS/DEPT OF TREASURY WASHINGTON DC PRIORITY
RUCPDO/DEPT OF COMMERCE WASHINGTON DC PRIORITY
RUEHC/SECSTATE WASHDC PRIORITY 1770
INFO RUCNASE/ASEAN MEMBER COLLECTIVE PRIORITY
RUEHBJ/AMEMBASSY BEIJING PRIORITY 5543
RUEHBY/AMEMBASSY CANBERRA PRIORITY 8323
RUEHPB/AMEMBASSY PORT MORESBY PRIORITY 0661
RUEHKO/AMEMBASSY TOKYO PRIORITY 0388
RUEHWL/AMEMBASSY WELLINGTON PRIORITY 2172
RUEHCHI/AMCONSUL CHIANG MAI PRIORITY 4793
RHEHNSC/NSC WASHDC PRIORITY
RUEAIIA/CIA WASHINGTON DC PRIORITY
RHHMUNA/HQ USPACOM HONOLULU HI PRIORITY

C O N F I D E N T I A L SECTION 01 OF 05 BANGKOK 000430

SIPDIS

SIPDIS

STATE FOR EAP/MLS AND EB
STATE PASS TO USTR
TREASURY FOR OASIA
COMMERCE FOR EAP/MAC/OKSA

E.O. 12958: DECL: 02/07/2017
TAGS: [ECON](#) [EFIN](#) [ELAB](#) [ENRG](#) [ETRD](#) [PGOV](#) [PINR](#) [SENV](#) [TH](#)
SUBJECT: ECONOMIC TEAM LAYS OUT POLICIES AS CREDENTIALS
QUESTIONED

REF: A. BANGKOK 409 (CABINET'S PRO-THAKSIN FIGURES)
[1](#)B. BANGKOK 359 (CHOICES AWAIT MINISTER)
[1](#)C. 07 BANGKOK 4943 (PPP CAMPAIGN PLATFORM)

BANGKOK 00000430 001.2 OF 005

Classified By: Ambassador Eric G. John, reason: 1.4 (b) and (d)

[1](#)1. (C) Summary: Prime Minister Samak Sundaravej's economic team, announced in his February 6 cabinet inauguration, has drawn sharp criticism from the business community for some team members' apparent lack of economic expertise on financial and trade issues. Like the rest of the cabinet, the economic team includes a number of spouses, relatives and other "nominees" of former Thai Rak Thai (TRT) members banned from political activity. Much of the criticism is directed at the choice of Dr. Surapong Suebwonglee, a medical doctor by professionQ/yQ:a9
v1\$rQQdB}tcrence
February 7, by declaring himself the "CEO of the Economic Team" who would receive "confidential advice" from "six or seven" unnamed advisers. Surapong and Minister of Commerce, Mingwan Saengsuwan, would serve as "Chief Financial Officer" and "Chief Operating Officer," respectively, with another Deputy Prime Minister in charge of fast-tracking infrastructure "megaprojects." On the intellectual property front, the new Public Health Minister said recent compulsory licenses on pharmaceuticals would be "reviewed." End Summary.

ECONOMIC TRIUMVIRATE - NOT YOUR DREAM TEAM

[1](#)2. (C) Samak has declared himself to be the "CEO of the Economic Team," partly due to reported clashes between Surapong and Minister of Commerce, Mingkwan Saengsuwan, for overall primacy on economic policy direction. Samak describes Surapon?}^g
Mingkwan as his "Chief Operating Officer," responsible for macro and micro economic policy, respectively. Mingkwan was the PPP's top economic adviser leading up to the December

2007 elections, charged with resurrecting the disbanded Thai Rak Thai's (TRT) populist policies that drew significant support from the rural Northeast. Mingkwan was also President of the Mass Communications Organization of Thailand (MCOT), which controversially allowed former Prime Minister Thaksin to broadcast a state of emergency decree over Channel 9 television (under MCOT's control) on the evening of the September 19, 2006 military coup.

13. (C) Surapong is the PPP's Secretary General, and has often spoken of the need to win back the confidence of foreign investors by repealing remaining capital controls and prohibiting any retroactive changes to the Foreign Business Act. However, his appointment has caused consternation in the local business community (Ref B) due to his lack of financial expertise. Reports in mid-January that he would have two Deputy Ministers, rather than one, raised hopes that experienced bankers or bureaucrats would assist him in fiscal policy decision-making and coordination with the Bank of Thailand (BOT) on monetary policy. However, the eventual choices as deputies are reported by the media to have been made over Samak's objections and based on political considerations in consultation with Thaksin.

14. (C) Samak admitted publicly on February 7 that he had a "difficult time" filling the Finance Minister post, with a number of prominent economists turning the job down due to legal restrictions on their ability to work in the private sector after completion of their term. One reputed candidate for the job, Dr. Supavud Saicheua, told econoffs in January that a lack of confidence in the longevity of the current coalition was also a factor that dissuaded candidates. Deposed PM Thaksin's previous Finance Minister, Dr. Thanong

BANGKOK 00000430 002.2 OF 005

Bidhaya, is believed to have fallen out with Thaksin following the September 2006 military coup, when he reportedly apologized to Privy Council Chairman Prem Tinsulanonda for his role in Thaksin's government. Samak stated that a "back up team of six or seven advisers" would offer advice behind the scenes and remain anonymous to avoid conflict-of-interest restrictions.

FOCUS ON EXPANDED INFRASTRUCTURE, "POPULISM"

15. (U) In a press statement February 7, Surapong said his chief priorities would be to boost domestic consumption and investment by expanding spending on infrastructure, including nine mass transit routes in Bangkok, and restoring TRT populist policies including a debt suspension for farmers, microcredit programs for villages, and tax breaks for low income groups. In an earlier interview February 6, Surapong said the government had leeway to expand spending by an additional 1 percent of GDP, and could run a deficit of up to 2.5 percent of GDP in a revised 2008 budget to be presented to Parliament in May. Although he has previously called for the immediate removal of the 30 percent reserve requirement on capital inflows (Ref B and C), he edged away from that commitment slightly on February 7, saying he would first need to consult with Bank of Thailand Governor Tarisa Watanagase.

16. (U) In other cabinet announcements, Public Health Minister Chaiya Sasomsab announced that the recent imposition of compulsory licenses by the outgoing Minister would be "reviewed," which immediately elicited criticism that he was pandering to big business and abandoning the poor. Labor Minister Uraiwan Thienthong proposed a "Fly First, Pay Later" scheme to assist Thai workers in securing jobs overseas and flying to their destinations with air tickets paid on credit. Transport Minister Sanit Prompat said he would support Surapong in speeding up expenditures on Bangkok's mass transit projects. Information and Communications Technology Minister Man Pattanothai said he will promote low-cost computer availability and internet access for rural

provinces. Natural Resources and Environment Minister Anongwan Thepsuthin announced a program to use fast-growing trees to replace fossil fuels for electricity generation. Science and Technology Minister Wuthipong Chaisaeng said his ministry would focus on eucalyptus and tamarind plantations to expand bio-fuel production.

BIOGRAPHICAL SKETCHES ON ECONOMIC MINISTERS

Finance

¶7. (C) Dr. Surapong Suebwonglee, Secretary General of PPP, is a medical doctor-turned-politician, whose rise to prominence was enhanced by his promotion of the grassroots-friendly 30 baht health care scheme, which ostensibly allowed citizens to receive primary health care for only 30 baht (less than 1 USD) per visit. While the program has stressed the healthcare system, it proved highly popular in the 2005 and 2007 elections for the TRT and PPP parties, respectively. He served as Deputy Minister of Public Health from 2001-2002, was promoted to Minister of Information and Communications Technology in 2002-2005, and became Thaksin's hand-picked government spokesman after the 2005 election until the 2006 coup.

¶8. (U) Sub. Lt. Ranongrak Suwanchawee, one of two Deputy Ministers of Finance, is the wife of Sub. Lt. Pairoj Suwanchawee, a former Deputy Minister of Commerce during Thaksin's administration and one of the 111 banned Thai Rak Thai members. She has no known background in financial matters and is a registered nurse. Ranongrak was among

BANGKOK 00000430 003.3 OF 005

several appointees involved in the media-reported clash between Samak and Thaksin over cabinet and sub-cabinet appointees (Samak allegedly trying to shift her to a less sensitive post). A first-time Member of Parliament representing the Puea Pandin party, she is a long-time civil servant in the Public Health Ministry who won election as a Senator in 2006, but was unable to serve due to the coup in September that year.

¶9. (U) Mr. Pradit Pattaraprasit, the second of two Deputy Ministers, is a prominent businessman who is now Secretary General of the Ruam Jai Thai Chart Pattana party, part of the PPP-led coalition. He first turned politician in 1995, representing his hometown of Pichit from 1995-1997 in the Democrat Party and becoming Deputy Minister of Transport in 1997. Pradit was appointed Secretary General of the Democrat Party in 2005, only to resign in 2007 to form the Ruam Jai Thai group, which would later join Chart Pattana to become the Ruam Jai Thai Chart Pattana party.

Commerce

¶10. (SBU) Minister of Commerce Mr. Mingkwan Saengsuwan, who also holds a Deputy Prime Minister title, is a long-time senior marketing executive of Toyota Thailand and former President of the Mass Communications Organization of Thailand (MCOT). Mingkwan was forced to resign his position at MCOT after allowing television's Channel 9, under his command, to broadcast Thaksin's statement from New York declaring a state of emergency during the military coup of September 19, 2006. He was the PPP's chief economic advisor during the December 2007 election campaign, responsible for crafting revised versions of the disbanded Thai Rak Thai party's "populist" programs that remain popular outside Bangkok. He has a law degree from Chulalongkorn University.

Agriculture

¶11. (U) Mr. Somsak Prissanananthakul, currently a deputy leader of the Chart Thai party, has expressed support for PPP's populist initiatives including debt suspension for farmers and price supports for agricultural commodities. He is a former Minister of Education (1999) and served as First Deputy House Speaker in 2001.

Industry

¶12. (U) Mr. Suwit Khunkitti, who served as one of Thaksin's Deputy PMS, resigned from TRT in 2005 for health reasons. Upon his recovery, he entered the monkhood and was not covered by the five-year ban on TRT's 111 executive members. Having represented Khon Kaen for eight terms, he failed to get elected to the House of Representatives in the December 2007 elections even though he was the senior-most leader of the Puea Pandin party. He has previously occupied six ministerial positions in his 25-year career, and received bachelor's and master's degrees in Chemistry from the University of Kentucky.

Information and Communication Technology

¶13. (U) Dr. Man Patthanothai is the deputy leader of the Puea Pandin party. He is considered the right-hand man of party leader Watana Asavahame, and has served Watana as Secretary to the Minister in each of Watana's previous ministerial positions (as Minister of Industry, Minister of Interior and the Prime Minister's Office). He has served four parliamentary terms representing Samut Prakarn province in several different parties, most recently Mahachon party before joining Puea Pandin with Watana.

BANGKOK 00000430 004.2 OF 005

Labor

¶14. (U) Ms. Uraiwan Thienthong is the wife of Sanoh Thienthong, the leader of the Pracharaj party and former leader of the influential Wang Nam Yen group which brought 80 representatives to join PM Thaksin's Thai Rak Thai party (TRT) in 2000. After her retirement as a civil servant in 2002, she joined TRT and became the government's first Minister of Culture. She later became Minister of Labor in 2003, and returned to become Minister of Culture again in ¶2005. She resigned the latter position in 2006, citing a need "to uphold proper political ethics of good governance," after a widely reported rift between her husband (Sanoh) and PM Thaksin. On this go-around, Sanoh selected her to represent the Pracharaj party, which won five seats, in the new cabinet.

Public Health

¶15. (SBU) Mr. Chaiya Sasomsab, Minister of Public Health, was an adviser to the Minister of Social Development and Human Security who later became Deputy Minister for Transport and Communications during Thaksin's administration. He is the younger brother of Chaiyod Sasomsab, who was Deputy Minister of Finance under Thaksin. Reports indicate that PM Samak intended to appoint Chaiya to be Deputy Minister of Finance himself, but bowed to pressure from Puea Pandin to nominate their own candidate instead. Chaiya has minimal experience in health issues. He has, however, told Thai media that he intends to review the ministry's compulsory license schemes for cancer medications. He said that decision-makers need to carefully weigh the advantages and disadvantages of patients' access to medication against patent violation problems.

¶16. (SBU) Mr. Charawat Chanveerakul is the new Deputy Public Health Minister, and had been Chairman of the Sino-Thai Engineering Public Company most of his life, resigning on

January 31 to accept his new position. Aged 72, he is believed to be a surrogate for his son, Anutin Chanveerkul, who himself served as Deputy Public Health Minister under Thaksin and is now one of the TRT banned politicians.

Social Development and Human Security

¶17. (U) Mr. Sutha Chansaeng, one of PPP's nine Bangkok MPs, is a close aide to banned TRT member Sudarat Keyuraphan who followed her from the Palang Dharma party to TRT and has now joined PPP. He became Secretary to the Minister of Finance in 2003 and was later Deputy Secretary General to the Prime Minister for Political Affairs in 2005. Noting that he has little experience in social development and welfare issues, apart from those he encountered as an MP, Sutha states that he will not interfere with civil servants running the Ministry and will make a priority of improving government housing projects for the poor. He will be assisted in the Ministry by two businessmen who owned a pharmacy and a microbrewery before running unsuccessfully for Parliament.

Transport

¶18. (U) Mr. Santi Prompat of Palang Prachachon party has had close ties with banned TRT member Pongsak Raktapongpaisarn, who was Minister of Transport in Thaksin's second term. He and Pongsak played prominent roles in TRT's electoral successes in the northern provinces, and he repeated that role for Palang Prachachon in the December 2007 elections. Santi is President of Nawapattana Thanee, a major real estate developer, and owns various machinery and auto parts businesses. He has promised to push for new metro rail lines in Bangkok and on his first day in office suspended a previously-planned bus fare increase.

BANGKOK 00000430 005.2 OF 005

Environment and Natural Resources

¶19. (U) Ms. Anongwan Thepsuthin is Secretary General of the Matchimathipataya party and wife of Somsak Thepsuthin, the banned TRT member who served as Labor Minister in Thaksin's administration. Both Somsak and Anongwan were TRT MPs representing Sukhothai province. Although Anongwan lost her contest in the December 2007 elections, she retained her position as Secretary General and was the first coalition partner to announce support for Samak as Prime Minister. Her appointment is viewed as a reward for her quick support of the PPP-led coalition, and for her husband's ties to Thaksin.

Science and Technology

¶20. (SBU) Mr. Wuthipong Chaisaeng, from the PPP, is the younger brother of Chaturon Chaisaeng, the banned TRT member who served as TRT acting party leader after the coup, and a Deputy Prime Minister under Thaksin. Wuthipong's appointment is believed to be, at least in part, repayment for Chaturon's TRT service. Wuthipong's and Chaturon's father was a prominent politician from Chachoengsao province, and his sister, Anand, is also a PPP Member of Parliament.

Energy

¶21. (SBU) Lt. Gen. Poonpirom Liptapanlop is a retired military officer. She is the wife (and likely "nominee") of Suwat Liptapanlop, the prominent banned TRT member from Nakhon Ratchasima who was deputy TRT leader, Minister of Justice and a Deputy Prime Minister in Thaksin's administration before re-forming Ruam Jai Thai Chart Pattana party. Poonpirom served as a lecturer at the National Defense College from 2002-2005 and was appointed a Senator in

¶2006. She was recently profiled in The Nation newspaper as an energy conservationist.
JOHN